

VALUEOPTIONS
STATEMENT OF FINANCIAL POSITION
AS OF: June 30, 2004

ASSETS

Current Assets

101 Cash	\$40,135,445
102 Current Investments	-
103 Accounts Receivable (net)	\$25,554,429
104 Notes Receivable (current portion)	-
105 Prepaid Expenses	830,010
106 Other Current Assets	\$446,472
107 Total Current Assets	<u>\$66,966,356</u>

Non Current Assets

108 Land	-
109 Building	-
110 Leasehold Improvements	428,041
111 Furniture and Equipment	7,460,104
112 Vehicles	-
113 Total Property and Equipment	<u>\$7,888,145</u>
114 Less: Accumulated Depreciation	<u>5,768,909</u>
115 Net Property and Equipment	<u>\$2,119,236</u>
116 Notes Receivable (net of current portion)	-
117 Performance Bond	-
118 Long Term Investments	-
119 Deposits	344,281
120 Other Noncurrent Assets	\$0
121 Total Noncurrent Assets	<u>\$2,463,517</u>
122 TOTAL ASSETS	<u><u>\$69,429,873</u></u>

LIABILITIES AND NET ASSETS/EQUITY

CURRENT LIABILITIES

201 Incurred But Not Reported Claims	\$6,706,371
202 Reported But Unpaid Claims	729,206
203 Payable to ADHS	\$48,653
204 Other Amounts Payable to Providers	7,068,803
205 Trade Accounts Payable	1,523,698
206 Accrued Salaries and Benefits	4,624,596
207 Long-term Debt (current portion)	-
208 Deferred Revenue (disclose on Schedule A)	\$2,484,700
209 Risk Pool Payable	-
210 Other Current Liabilities	\$11,797,034
211 Total Current Liabilities	<u>\$34,983,060</u>

NONCURRENT LIABILITIES

212 Long-term debt (net of current portion)	-
213 Loss Contingencies (disclosed on Schedule A)	\$0
214 Other Noncurrent Liabilities	\$43,261
215 Total Noncurrent Liabilities	<u>\$43,261</u>

216 TOTAL LIABILITIES	<u>\$35,026,321</u>
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217 NET ASSETS/EQUITY

Unrestricted Assets	34,403,552
Restricted Assets	\$0

218 TOTAL LIABILITIES AND NET ASSETS/EQUITY	<u><u>\$69,429,873</u></u>
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VALUEOPTIONS
STATEMENT OF FINANCIAL POSITION
AS OF:
Schedule A Disclosures

June 30, 2004

ASSETS:

Cash

Restricted	\$ 2,484,700
Unrestricted	37,650,745
Total Cash	<u>\$40,135,445</u>

Accounts Receivable**

ADHS*

Program ID	Category ID	
Current Year		
TXIX Child		489,239
TXIX SMI		14,419,886
HIFA II SMI		-
TXIX GMHSA		4,607,499
HIFA II GMH		-
TXIX DD Child		-
TXIX DD Adult		-
TXXI Child		-
TXXI Adult		-
NTXIX/XXI Child		278,705
NTXIX/XXI SMI		2,385,678
Mental Health		52,352
Sub Abuse	Non-Title XIX Alcohol	-
Sub Abuse	Non-Title XIX Drug	1,677,763
Prevention Intervention	Non-Title XIX Prevention	299,632
ADHS DOC	ADHS/ADOC COOL	-
PASARR	PASARR	7,850
Select Program	Community Placement	-
HB2003 Child	HB2003 Child	-
HB2003 SMI	HB2003 SMI	-
Prior Year		
TXIX Child		-

LIABILITIES:

IBNR Claims Estimate

Current Year	
FY 04	6,706,371
Prior Year	
FY 03	-
Total IBNR	<u>\$6,706,371</u>

Payable to ADHS (Detail of Line 203)

Program ID	Category ID	
Current Year		
HIFA II SMI	Profit/Risk Corridor	47,314
Sub Abuse	Other*	1,339
Prior Year		
Select Program	Select Category	
Select Program	Select Category	
Total Payable - ADHS		<u>\$48,653</u>

Deferred Revenue from: (Detail of Line 208)

Current Year	
HB2003 Child	2,334,714
HB2003 SMI	149,986
ADHS DOC	-
TXXI Child	-
TXXI Adult	-
HIFA II SMI	-
HIFA II GMH	-
Prior Year	
HB2003 Child	\$0
HB2003 SMI	-
Total Deferred Revenue	<u>\$2,484,700</u>

TXIX SMI	-		
HIFA II SMI	-	<u>Other Current Liabilities (Detail of Line 210)</u>	
TXIX GMHSA	-	Accrued audit fees	6,294
HIFA II GMH	-	Casa Buena Payable	569,560
TXIX DD Child	-	Due to affiliates	8,272,101
TXIX DD Adult	-	Income tax payable to parent	2,090,953
TXXI Child	PY Title XXI Children/SMI	Insurance	-
NTXIX/XXI Child	-	Legal	-
NTXIX/XXI SMI	-	Malpractice Reserve	857,525
Mental Health	-	Sanctions and penalties payable	-
Sub Abuse	-	Miscellaneous	601
Prevention Intervention	-		
ADHS DOC	PY ADHS/ADOC COOL	Total Other Current Liabilities	<u>11,797,034</u>
PASARR	-		
Select Program	PY Community Placement	<u>Loss Contingencies (Detail of Line 213)</u>	
HB2003 Child	-	Identify Loss Contingencies	
HB2003 SMI	-	Identify Loss Contingencies	
Other*		Total Loss Contingencies	<u>\$0</u>
Current Year			
RxInnovations	873,589	<u>Other Noncurrent Liabilities (Detail of Line 214)</u>	
Casa Buena	-	Deferred tax liability	43,261
Non-HB2003 provider receivables	223,013		
Rehabilitative Services Administration	-		
Accrued interest receivable	45,223		
Case management	-	Total Other Noncurrent Liabilities	<u>\$43,261</u>
HB2003 provider receivables	140		
Medicare receivable	159,695	<u>Restricted Assets (Detail of Line 217)</u>	
Lab Receivables	1,665	Identify Restricted Assets	
Prior Year			
Employee receivables	24,718		
PY RxInnovations	-	Total Restricted Assets	<u>\$0</u>
PY Housing - Stargate Village	-		
PY Non-HB2003 provider receivables	-		
PY Rehabilitative Services Administration	-		
PY Accrued interest receivable	-		
PY Case management	-		
PY Medicare receivable	-		
PY Lab Receivables	-		
PY Employee receivables	7,782		

Allowance for Doubtful Accounts	
Identify Amount	
Identify Amount	
Total Accounts Receivable	<u><u>\$25,554,429</u></u>

Other Current Assets (Detail of Line 106)

Deferred tax asset	446,472
Total Other Current Assets	<u><u>\$446,472</u></u>

Other Noncurrent Assets (Detail of Line 120)

Identify Other Noncurrent Assets	
Total Other Noncurrent Assets	<u><u>\$0</u></u>

PERFORMANCE BOND:

Type of security - Surety bond	50,000,000
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Adjustments:

Payable to ADHS - Other* Category

Disclose items recorded as "Other" in the category for Payable to ADHS Section

Over-payment of COOL funds

Explain ≥10% fluctuation in account from prior period

Describe fluctuation in each account greater than 10%

- 103. Accounts Receivable - Increased 225% due to Title XIX payment delays
- 105. Prepaid Expense - Decreased 69% due to recognition of provider advances and other year-end recognitions
- 110. Leasehold Improvements - Increased 14% due to improvements to clinics
- 201. Incurred But Not Reported Claims - Increased 15% due to increasing expense for Children's OOH and special support services, Adult single case agreement services, and a slight reduction in claims submission rates
- 204. Other Amounts Payable to Providers - Decreased 39% due to provider payments and year-end settlements with providers
- 206. Accrued Salaries and Benefits - Decreased 31% due to normal payroll cycle timing
- 208. Deferred Revenue - Decreased 70% due to recognition of revenue related to Title XXI and Title XXI HiFA contract amendments signed and executed prior to July 1, 2004
- 210. Other Current Liabilities - Increased 43% due to income tax payable transfers, and due-to affiliates transfers to Corporate ledgers
- 217.c Current Net Income - Increased 137% due to normal equity activity

***List Sources by Program and Year**

****Use separate schedule if necessary**

VALUEOPTIONS

STATEMENT OF CHANGES IN NET ASSETS / EQUITY

AS OF : June 30, 2004

				Net Assets /	
		Initial Capital	Additional Capital	Retained Earnings	Total
Beginning Balance:	July 1, 2003	\$ 10,000,000	\$ 5,802,429	\$ 6,199,166	\$ 22,001,595
Net Surplus / Net Earning for the period ended	June 30, 2004		\$ 8,107,523	\$6,320,434	\$ 14,427,957
Dividends Declared			\$ -	\$ (2,026,000)	\$ (2,026,000)
Prior Period Adjustments			\$ -	\$ -	\$ -
Ending Balance:	June 30, 2004	\$ -	\$ -	\$ -	\$ -
		\$ 10,000,000	\$ 13,909,952	\$ 10,493,600	\$ 34,403,552

VALUEOPTIONS
STATEMENT OF ACTIVITIES
YEAR TO DATE AS OF:

June 30, 2004

*DISCLOSE ON SCHEDULE A

		TXIX CHILD	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT
REVENUE											
401	Revenue Under ADHS Contract	\$ 65,179,179	\$ 4,138,070	\$ 7,192,421	\$ 3,809,772	\$ 1,585,387	\$ 172,543,754	\$ 2,746,169	\$ 77,462,189	\$ 2,118,883	\$ 231,322
402	Specialty & Other Grants*	-	-	-	-	-	-	-	-	-	-
403	Client Fees (Co-pays)	-	-	-	-	-	3,658	-	4,160	-	-
404	Third Part Recoveries	-	-	-	-	-	-	-	-	-	-
a.	Medicare	-	-	-	-	-	256,420	-	186,705	-	-
b.	Other Insurance	-	-	-	-	-	29,049	-	29,291	-	-
405	Interest Income	-	-	-	-	-	-	-	-	-	-
406	Other Funding Sources - Non ADHS*	-	-	-	-	-	-	-	-	-	-
407	Unrelated Business Activities*	-	-	-	-	-	-	-	-	-	-
408	TOTAL REVENUE	\$65,179,179	\$4,138,070	\$7,192,421	\$3,809,772	\$1,585,387	\$172,832,881	\$2,746,169	\$77,682,345	\$2,118,883	\$231,322

EXPENSES

Service Expenses:

501	Treatment Services										
a	Counseling										
1	Counseling, Individual	11,617,844	445,894	874,590	1,057,305	-	4,587,995	59,945	2,000,404	104,927	1,476
2	Counseling, Family	7,640,043	380,280	443,508	716,831	-	88,985	2,672	47,166	458	1,001
3	Counseling, Group	486,751	2,980	117,646	58,096	-	637,795	9,811	175,827	7,178	81
b	Consultation, Assessment & Specialized Testing	3,566,332	173,525	222,710	331,112	-	2,320,097	62,351	1,347,801	26,406	462
c	Other Professional	12,421	-	413,075	189	-	-	1,143	1,059,012	-	0
d	<i>Total Treatment Services</i>	<i>\$23,323,391</i>	<i>\$1,002,679</i>	<i>\$2,071,529</i>	<i>\$2,163,533</i>	<i>\$0</i>	<i>\$7,634,872</i>	<i>\$135,922</i>	<i>\$4,630,211</i>	<i>\$138,968</i>	<i>\$3,021</i>
502	Rehabilitation Services										
a	Living Skills Training	1,189,519	181,397	33,530	37,392	-	5,304,567	146,520	1,343,027	39,528	52
b	Cognitive Rehabilitation	-	-	-	-	-	-	-	-	-	-
c	Health Promotion	44,951	22,648	1,042	1,069	-	378,131	12,850	105,059	3,505	1
d	Supported Employment Services	9,008	-	883	1,236	-	3,502,590	252,408	1,241,692	158,779	2
e	<i>Total Rehabilitation Services</i>	<i>\$1,243,478</i>	<i>\$204,045</i>	<i>\$35,455</i>	<i>\$39,697</i>	<i>\$0</i>	<i>\$9,185,288</i>	<i>\$411,778</i>	<i>\$2,689,778</i>	<i>\$201,812</i>	<i>\$55</i>
503	Medical Services										
a	Medication Services	116	-	207	-	-	647,800	18,350	241,827	7,978	-
b	Medical Management	3,022,207	285,517	102,756	288,500	-	4,615,585	133,189	2,441,991	57,148	403
c	Laboratory, Radiology & Medical Imaging	32,257	4,499	1,327	2,996	-	411,555	16,827	271,678	8,462	4
d	Electro-Convulsive Therapy	-	-	-	-	-	58,136	-	39,717	205	-
e	<i>Total Medical Services</i>	<i>\$3,054,580</i>	<i>\$290,016</i>	<i>\$104,289</i>	<i>\$291,495</i>	<i>\$0</i>	<i>\$5,733,077</i>	<i>\$168,366</i>	<i>\$2,995,213</i>	<i>\$73,794</i>	<i>\$407</i>
504	Support Services										
a	Case Management	12,028	-	1,958	379	-	43,045,163	-	29,051,942	-	-
b	Personal Assistance	566,651	240,893	4,478	2,888	-	8,701,632	221,287	2,168,389	18,942	4
c	Family Support	456,506	22,852	800,606	14,327	-	10,370	42	49,314	28	20
d	Peer Support	94,161	2,220	5,385	2,789	-	629,057	14,904	226,710	5,840	4
e	Therapeutic Foster Care Services	159,729	-	946,384	-	-	-	-	-	-	-
f	Respite Care	506,940	8,575	644,584	15,066	-	-	-	614	-	21
g	Housing Support	-	-	5,719	-	-	-	-	1,816,372	21,492	-

h	Interpreter Services	-	-	-	-	-	-	-	-	-	-
l	Flex Fund Services	-	-	-	-	-	-	-	-	-	-
j	Transportation	528,811	15,349	165,245	22,321	-	1,719,713	49,222	1,139,165	14,832	31
k	Block Purchase NTXIX Consumer Drop In Center	-	-	-	-	-	-	-	809,928	-	-
l	<i>Total Support Services</i>	\$2,324,826	\$289,889	\$2,574,359	\$57,770	\$0	\$54,105,934	\$285,455	\$35,262,435	\$61,135	\$80
505	Crisis Intervention Services										
a	Crisis Intervention - Mobile	1,014,344	44,457	120,174	38,143	-	786,044	81,346	331,345	10,777	53
b	Crisis Services	117,642	6,512	258,845	4,839	-	267,380	11,822	1,403,744	6,295	7
c	Crisis Phones	-	-	-	-	-	2,250,445	-	1,523,456	-	-
d	<i>Total Crisis Intervention Services</i>	\$1,131,986	\$50,969	\$379,019	\$42,983	\$0	\$3,303,868	\$93,168	\$3,258,545	\$17,072	\$60
506	Inpatient Services										
a	Hospital										
1	Psychiatric (Provider Types 02 & 71)	5,316,406	259,906	198,304	354,032	-	14,515,713	559,144	8,172,315	157,015	494
2	Detoxification (Provider Types 02 & 71)	-	-	-	-	-	11,050	-	-	-	-
b	Subacute Facility										
1	Psychiatric (Provider Types B5 & B6)	838,230	-	-	-	-	10,237	-	-	-	-
2	Detoxification (Provider Types B5 & B6)	5,095	-	-	-	-	111,535	-	37,189	-	-
c	Residential Treatment Center (RTC)										
	Psychiatric - Secure & Non-Secure Provider Types										
1	78,B1,B2,B3)	13,163,895	74,082	205,855	421,860	-	1,249,549	8,129	478,116	5,266	589
	Detoxification - Secure & Non-Secure (Provider										
2	Types (78,B1,B2,B3)	4,882	-	-	-	-	-	-	-	-	-
d	Inpatient Services, Professional	164,721	7,203	6,899	10,155	-	264,778	10,582	106,907	1,710	14
e	<i>Total Inpatient Services</i>	\$19,493,229	\$341,191	\$411,057	\$786,047	\$0	\$16,162,861	\$577,855	\$8,794,528	\$163,991	\$1,098
507	Residential Services										
a	Level II Behavioral Health Residential Facilities	8,102,500	225,660	67,709	4,498	-	9,683,703	44,020	2,940,833	-	6
b	Level III Behavioral Health Residential Facilities	1,595,073	7,334	62,584	23,557	-	2,549,864	17,915	555,275	-	33
c	Room and Board	-	-	504,676	-	-	-	-	1,373,127	-	-
d	<i>Total Residential Services</i>	\$9,697,573	\$232,993	\$634,970	\$28,055	\$0	\$12,233,568	\$61,936	\$4,869,236	\$0	\$39
508	Behavioral Health Day Program										
a	Supervised Day Program	177,849	3,864	16,322	8,015	-	856,406	8,289	273,621	5,665	11
b	Therapeutic Day Program	1,882,646	48,052	153,304	104,044	-	2,071,535	107	689,861	891	145
c	Medical Day Program	56,893	-	183	13,547	-	-	-	-	-	19
d	<i>Total Behavioral Health Day Program</i>	\$2,117,387	\$51,915	\$169,808	\$125,606	\$0	\$2,927,941	\$8,395	\$963,483	\$6,557	\$175
509	Prevention Services										
a	Prevention	-	-	-	-	-	-	-	-	-	-
b	HIV	-	-	-	-	-	-	-	-	-	-
c	<i>Total Prevention Services</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
510	Medication	7,751,203	1,505,547	183,282	693,580	-	22,236,661	3,026,864	14,666,945	206,514	79,245
511	Other ADHS Service Expenses Not Rpt'd Above*	-	-	-	-	1,425,148	-	-	-	-	-
512	ADHS/DOC COOL	-	-	-	-	-	-	-	-	-	-
513	Subtotal ADHS Service Expenses	\$70,137,653	\$3,969,244	\$6,563,768	\$4,228,766	\$1,425,148	\$133,524,070	\$4,769,739	\$78,130,374	\$869,843	\$84,180
520	Service Expenses from Non ADHS Sources*										
525	Total Service Expense	\$70,137,653	\$3,969,244	\$6,563,768	\$4,228,766	\$1,425,148	\$133,524,070	\$4,769,739	\$78,130,374	\$869,843	\$84,180

Administrative Expenses:

601	Salaries	1,027,414	65,234	113,382	60,154	-	2,719,871	43,293	1,221,217	33,461	3,645
602	Employee Benefits	292,011	18,541	32,225	17,097	-	773,041	12,305	347,094	9,510	1,036
603	Professional & Outside Services	368,989	23,429	40,720	21,604	-	976,823	15,548	438,592	12,017	1,309
604	Travel	26,712	1,696	2,948	1,564	-	70,714	1,126	31,750	870	95

605	Occupancy	284,987	18,095	31,450	16,686	-	754,444	12,009	338,744	9,282	1,011
606	Depreciation	127,635	8,104	14,085	7,473	2,484	337,888	5,378	151,711	4,157	453
607	All Other Operating*	2,760,069	175,247	304,592	161,599	92,639	7,306,721	116,302	3,280,703	89,891	9,791
608	Subtotal ADHS Administrative Expenses	\$4,887,817	\$310,346	\$539,403	\$286,177	\$95,123	\$12,939,503	\$205,960	\$5,809,811	\$159,189	\$17,340
650	Non ADHS Administrative Expenses*										
651	Unrelated Admin. Expense*										
652	Subtotal Administrative Expense	\$4,887,817	\$310,346	\$539,403	\$286,177	\$95,123	\$12,939,503	\$205,960	\$5,809,811	\$159,189	\$17,340
701	Unrelated Business Expenses*										
790	Income Tax Provisions										
a	ADHS Income Tax Provision	(3,938,507)	(56,608)	35,700	(282,068)	26,046	10,547,699	(891,810)	(2,503,130)	435,940	51,921
b	Non ADHS Income Tax Provision										
799	Subtotal Income Tax Provision	(\$3,938,507)	(\$56,608)	\$35,700	(\$282,068)	\$26,046	\$10,547,699	(\$891,810)	(\$2,503,130)	\$435,940	\$51,921
800	TOTAL EXPENSES	\$71,086,963	\$4,222,982	\$7,138,871	\$4,232,875	\$1,546,317	\$157,011,272	\$4,083,889	\$81,437,055	\$1,464,972	\$153,441
801	INC/(DEC) IN NET ASSETS/EQUITY	(\$5,907,784)	(\$84,912)	\$53,550	(\$423,103)	\$39,070	\$15,821,609	(\$1,337,720)	(\$3,754,710)	\$653,911	\$77,881

*Disclose on Schedule A

HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUB ABUSE	PREVENTION INTERVENTION	PASARR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL
\$ 5,241,488	\$ 56,405,295	\$ 729,330	\$ 2,200,826	\$ 21,960,401	\$ 5,778,973	\$ 90,350	\$ 1,870,890	\$ -	\$431,284,699	\$ -	\$431,284,699
-	-	-	-	-	-	-	-	-	\$0	-	\$0
-	40	-	170	65	-	-	-	-	\$8,093	-	\$8,093
-	-	-	-	-	-	-	-	-	-	-	-
-	1,719	-	7,012	543	-	-	-	-	\$452,400	-	\$452,400
-	-	-	1,812	242	-	-	-	-	\$60,393	-	\$60,393
-	-	-	-	-	-	-	-	-	\$0	401,610	\$401,610
-	-	-	-	-	-	-	-	3,958,369	\$3,958,369	-	\$3,958,369
-	-	-	-	-	-	-	-	-	\$0	-	\$0
\$5,241,488	\$56,407,054	\$729,330	\$2,209,820	\$21,961,251	\$5,778,973	\$90,350	\$1,870,890	\$3,958,369	\$435,763,954	\$401,610	\$436,165,564

-	8,462,548	146,521	303,579	1,031,768	-	-	-	-	\$30,694,795		\$30,694,795
-	388,384	13,140	21,080	13,648	-	-	-	-	\$9,757,197		\$9,757,197
-	3,588,421	23,677	82,417	768,455	-	-	-	-	\$5,959,134		\$5,959,134
-	4,356,468	85,584	483,551	393,115	-	-	-	-	\$13,369,517		\$13,369,517
-	54	2,296	110,413	1,091,539	-	-	-	-	\$2,690,142		\$2,690,142
\$0	\$16,795,874	\$271,219	\$1,001,039	\$3,298,525	\$0	\$0	\$0	\$0	\$62,470,785	\$0	\$62,470,785
-	207,429	3,770	8,368	12,996	-	-	-	-	\$8,508,096		\$8,508,096
-	-	-	-	-	-	-	-	-	\$0		\$0
-	39,540	-	1,279	5,972	-	-	-	-	\$616,046		\$616,046
-	683,674	748	5,503	22,439	-	-	-	-	\$5,878,960		\$5,878,960
\$0	\$930,642	\$4,518	\$15,149	\$41,407	\$0	\$0	\$0	\$0	\$15,003,102	\$0	\$15,003,102
-	2,684,810	8,237	22,695	817,013	-	-	-	-	\$4,449,032		\$4,449,032
-	2,964,620	85,087	134,172	107,289	-	-	-	-	\$14,238,464		\$14,238,464
-	145,879	2,700	3,939	15,929	-	-	-	-	\$918,053		\$918,053
-	9,252	-	-	-	-	-	-	-	\$107,310		\$107,310
\$0	\$5,804,560	\$96,025	\$160,807	\$940,231	\$0	\$0	\$0	\$0	\$19,712,859	\$0	\$19,712,859
-	2,072,110	-	931,913	1,159,475	-	-	-	-	\$76,274,969		\$76,274,969
-	208,630	356	254	1,018	-	-	-	-	\$12,135,421		\$12,135,421
-	3,056	-	10,317	3,304	-	-	-	-	\$1,370,741		\$1,370,741
-	38,726	91	4,896	1,503	-	-	-	-	\$1,026,286		\$1,026,286
-	-	-	-	-	-	-	-	-	\$1,106,113		\$1,106,113
-	5,333	1,484	2,285	19	-	-	-	-	\$1,184,922		\$1,184,922
-	-	-	18,861	87,491	-	-	-	-	\$1,949,935		\$1,949,935

-	-	-	-	-	-	-	-	-	\$0	\$0	
-	-	-	-	-	-	-	-	-	\$0	\$0	
-	1,160,954	6,500	253,289	444,607	-	-	-	-	\$5,520,040	\$5,520,040	
-	-	-	-	369,960	-	-	-	-	\$1,179,888	\$1,179,888	
\$0	\$3,488,810	\$8,431	\$1,221,814	\$2,067,377	\$0	\$0	\$0	\$0	\$101,748,315	\$0	\$101,748,315
-	801,934	8,013	445,377	75,949	-	-	-	-	\$3,757,957	\$3,757,957	
-	950,450	10,226	1,311,215	3,029,507	-	-	-	-	\$7,378,483	\$7,378,483	
-	104,932	-	47,725	59,193	-	-	-	-	\$3,985,750	\$3,985,750	
\$0	\$1,857,317	\$18,239	\$1,804,317	\$3,164,649	\$0	\$0	\$0	\$0	\$15,122,190	\$0	\$15,122,190
-	5,267,737	-	2,173,179	199,130	-	-	-	-	\$37,173,375	\$37,173,375	
-	83,098	-	-	-	-	-	-	-	\$94,148	\$94,148	
-	19,204	-	879	-	-	-	-	-	\$868,550	\$868,550	
-	1,983,265	5,651	38,452	744,550	-	-	-	-	\$2,925,738	\$2,925,738	
-	378,124	-	87,034	20,785	-	-	-	-	\$16,093,284	\$16,093,284	
-	-	-	-	-	-	-	-	-	\$4,882	\$4,882	
-	246,190	1,311	106,089	18,889	-	-	-	-	\$945,448	\$945,448	
\$0	\$7,977,618	\$6,961	\$2,405,633	\$983,354	\$0	\$0	\$0	\$0	\$58,105,425	\$0	\$58,105,425
-	5,539,924	13,136	48,561	872,905	-	-	-	-	\$27,543,457	\$27,543,457	
-	191,894	-	431	-	-	-	-	-	\$5,003,960	\$5,003,960	
-	-	2,451	144,351	1,144,725	-	-	-	-	\$3,169,330	\$3,169,330	
\$0	\$5,731,818	\$15,586	\$193,343	\$2,017,630	\$0	\$0	\$0	\$0	\$35,716,747	\$0	\$35,716,747
-	39,141	7,611	1,947	171	-	-	-	-	\$1,398,912	\$1,398,912	
-	2,752,389	8,862	91,113	700,627	-	-	-	-	\$8,503,575	\$8,503,575	
-	-	-	-	-	-	-	-	-	\$70,642	\$70,642	
\$0	\$2,791,530	\$16,473	\$93,060	\$700,798	\$0	\$0	\$0	\$0	\$9,973,129	\$0	\$9,973,129
-	-	-	-	-	5,046,476	-	-	-	\$5,046,476	\$5,046,476	
-	-	-	-	-	-	-	-	-	\$0	\$0	
\$0	\$0	\$0	\$0	\$0	\$5,046,476	\$0	\$0	\$0	\$5,046,476	\$0	\$5,046,476
-	10,401,684	218,732	18,170	48,832	-	-	-	-	\$61,037,257	\$61,037,257	
4,749,967	-	-	-	-	-	83,574	-	-	\$6,258,689	\$6,258,689	
-	-	-	-	-	-	-	1,574,191	-	\$1,574,191	\$1,574,191	
\$4,749,967	\$55,779,853	\$656,184	\$6,913,332	\$13,262,803	\$5,046,476	\$83,574	\$1,574,191	\$0	\$391,769,165	\$0	\$391,769,165
									\$0		\$0
\$4,749,967	\$55,779,853	\$656,184	\$6,913,332	\$13,262,803	\$5,046,476	\$83,574	\$1,574,191	\$0	\$391,769,165	\$0	\$391,769,165

-	889,466	11,509	34,694	346,185	91,100	1,424	29,494		\$6,691,545		\$6,691,545
-	252,804	3,271	9,861	98,393	25,892	405	8,383		\$1,901,868		\$1,901,868
-	319,446	4,133	12,460	124,330	32,718	512	10,593		\$2,403,223		\$2,403,223
-	23,125	299	902	9,000	2,369	37	767		\$173,974		\$173,974

-	246,722	3,192	9,624	96,026	25,270	395	8,181		\$1,856,116		\$1,856,116
8,212	110,498	1,430	4,310	43,006	11,317	177	3,664		\$841,982		\$841,982
306,277	2,389,482	30,918	93,203	929,999	244,734	3,826	79,235		\$18,375,229		\$18,375,229
\$314,489	\$4,231,543	\$54,753	\$165,053	\$1,646,939	\$433,400	\$6,776	\$140,317	\$0	\$32,243,937	\$0	\$32,243,937
								1,477,858	\$1,477,858	140,564	\$1,618,422
									\$0		\$0
\$314,489	\$4,231,543	\$54,753	\$165,053	\$1,646,939	\$433,400	\$6,776	\$140,317	\$1,477,858	\$33,721,795	\$140,564	\$33,862,359
									\$0		\$0
70,813	(1,441,733)	7,356	(1,947,421)	2,820,597	119,638	-	62,553		\$3,116,986		\$3,116,986
								992,202	\$992,202	104,418	\$1,096,620
\$70,813	(\$1,441,733)	\$7,356	(\$1,947,421)	\$2,820,597	\$119,638	\$0	\$62,553	\$992,202	\$4,109,188	\$104,418	\$4,213,606
\$5,135,269	\$58,569,663	\$718,293	\$5,130,964	\$17,730,339	\$5,599,514	\$90,350	\$1,777,061	\$2,470,060	\$429,600,148	\$244,982	\$429,845,130
\$106,219	(\$2,162,609)	\$11,037	(\$2,921,144)	\$4,230,912	\$179,459	\$0	\$93,829	\$1,488,309	\$6,163,806	\$156,628	\$6,320,434

VALUEOPTIONS
STATEMENT OF ACTIVITIES
YEAR TO DATE AS OF:
Schedule A Disclosure

June 30, 2004

	TXIX CHILD	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT
DISCLOSURE OF OTHER GRANTS REPORTED ON LINE 402										
Itemization of Items Reported on Line 402										
Identify										
Identify										
Total Other Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DISCLOSURE OF OTHER REVENUE REPORTED ON LINE 406										
Itemization of Items Reported on Line 406										
Identify										
Casa Buena Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0	\$ -
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pharmacy Sales Incentives	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rehabilitative Services Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
St. Lukes Grant	-	-	-	-	-	-	-	-	-	-
Identify										
Total Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UNRELATED BUSINESS ACTIVITIES REPORTED ON LINE 407										
Itemization of Items Reported on Line 407										
Identify										
Identify										
Total Unrelated Business Activities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DISCLOSURE OF ALL OTHER BEHAVIORAL HEALTH SERVICES ON LINE 511										
Itemization of Items Reported on Line 511										
HB2003 Child					\$1,425,148					
HB2003 SMI										
PASARR										
Total All Other Behavioral Health Services	\$0	\$0	\$0	\$0	\$1,425,148	\$0	\$0	\$0	\$0	\$0

**DISCLOSURE OF SERVICE EXPENSES
FROM NON ADHS SOURCES ON LINE 520**

Itemization of Items Reported on Line 520

Identify

Identify

Total Service Expense Non-ADHS Sources

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

**DISCLOSURE OF ALL OTHER
OPERATING ON LINE 607**

Itemization of Items Reported on Line 607

Maintenance Contracts	\$34,540	\$2,193	\$3,812	\$2,022	\$1,159	\$91,436	\$1,455	\$41,055	\$1,125	\$123
Supplies	38,799	2,463	4,282	2,272	1,302	102,712	1,635	46,117	1,264	138
Phone	60,884	3,866	6,719	3,565	2,044	161,178	2,566	72,369	1,983	216
Licenses & Taxes	46,592	2,958	5,142	2,728	1,564	123,343	1,963	55,381	1,517	165
Insurance	85,995	5,460	9,490	5,035	2,886	227,654	3,624	102,216	2,801	305
Training	33,512	2,128	3,698	1,962	1,125	88,716	1,412	39,833	1,091	119
Postage	12,188	774	1,345	714	409	32,265	514	14,487	397	43
Net Allocation In	2,447,191	155,381	270,064	143,281	82,138	6,478,441	103,119	2,908,807	79,701	8,681
Sanctions & Penalties	367	23	41	22	12	972	16	438	12	1
Total All Other Operating	\$2,760,068	\$175,247	\$304,592	\$161,599	\$92,639	\$7,306,719	\$116,303	\$3,280,703	\$89,891	\$9,791

**DISCLOSURE OF NON-ADHS
ADMINISTRATIVE EXPENSE ON LINE 650**

Itemization of Items Reported on Line 650

Pharmacy Benefit Management

Management & General

Total Non-ADHS Admin. Expense

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

**DISCLOSURE OF UNRELATED
ADMINISTRATIVE EXPENSES ON LINE
651**

Itemization of Items Reported on Line 651

Identify

Identify

Total Unrelated Administrative Expenses

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

**DISCLOSURE OF UNRELATED BUSINESS
EXPENSES ON LINE 701**

Itemization of Items Reported on Line 701

Identify

Identify

Total Unrelated Business Expenses

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

ADJUSTMENTS

Analysis:

(Disclose ≥10% fluctuation in any account from prior quarter.)

Revenue

Title XXI and Title XXI HiFA increased due to executed contract amendments (execution prior to 07/01/2004) that permitted the recognition of deferred revenue.

Other increased due to sales incentive payments from pharmaceutical manufacturers.

Expense

On July 30, 2004, ValueOptions received a claims crosswalk for SFY2004 that included Covered Services procedure code revisions. Upon implementing this crosswalk, ValueOptions rolled the claims review period forward using SFY2004 claims exclusively in preparing the Statement of Earnings. The combination of the updated claims crosswalk and the most recent claims experience reflect substantially different expense classification for SFY2004 than previously reported. Aside from those expense classifications that are reported directly from the ValueOptions trial balance, (Case Management, Crisis Telephones, Block Purchase NTXIX Consumer Drop In Centers, and Medications) the following categories are considerably less than the previous trends would have suggested: Treatment Services, Rehabilitation Services, Medical Services, Support Services, Crisis Services, and Residential Services. Inpatient Services increased, offsetting reductions to the listed services above. Prevention services are reduced due to the revised allocation of claims to the HIV/AIDS line based upon the updated SFY2004 crosswalk.

During reviews performed in conjunction with the preparation of ValueOptions' annual certified audit, adjustments related to NTXIX Substance Abuse and NTXIX COOL were determined to be necessary. Medical expense had been accrued to COOL (in lieu of NTXIX Substance Abuse) based on assumed utilization rates that, in retrospect, were not supported by claims experience nor contracted block purchases. NTXIX Cool expenses were adjusted to reflect contracted block purchase amounts and residential wrap-around services utilized. The accrued expense in excess of block contract amounts and residential wrap-around services were reclassified as NTXIX Substance Abuse outpatient to correct the misclassification.

HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUB ABUSE	PREVENTION INTERVENTION	PASARR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN/MGMT/ GEN	TOTAL
									\$0		\$0
									\$0		\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
									\$0		\$0
\$	-	\$	-	\$	-	\$	-	\$	211,402	\$211,402	\$211,402
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	50,269	\$50,269	\$50,269
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	3,718,980	\$3,718,980	\$3,718,980
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(23,880)	(\$23,880)	(\$23,880)
-	-	-	-	-	-	-	-	-	1,598	\$1,598	\$1,598
									\$0		\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,958,369	\$3,958,369	\$0	\$3,958,369
									\$0		\$0
									\$0		\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
									\$1,425,148		\$1,425,148
\$4,749,967									\$4,749,967		\$4,749,967
						\$83,574			\$83,574		\$83,574
\$4,749,967	\$0	\$0	\$0	\$0	\$0	\$83,574	\$0	\$0	\$6,258,689	\$0	\$6,258,689

										\$0		\$0
										\$0		\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

										\$0		\$0
\$3,833	\$29,902	\$387	\$1,166	\$11,638	\$3,063	\$48	\$992	\$0	\$229,948		\$229,948	
4,305	33,589	435	1,310	13,073	3,440	54	1,114	-	\$258,303		\$258,303	
6,756	52,709	682	2,056	20,515	5,399	84	1,748	-	\$405,338		\$405,338	
5,170	40,336	522	1,573	15,699	4,131	65	1,338	-	\$310,188		\$310,188	
9,543	74,449	963	2,904	28,976	7,625	119	2,469	-	\$572,514		\$572,514	
3,719	29,012	375	1,132	11,292	2,971	46	962	-	\$223,107		\$223,107	
1,352	10,551	137	412	4,107	1,081	17	350	-	\$81,141		\$81,141	
271,558	2,118,617	27,413	82,637	824,575	216,991	3,393	70,253	-	\$16,292,241		\$16,292,241	
41	319	4	12	125	33	1	11	-	\$2,450		\$2,450	
\$306,277	\$2,389,486	\$30,918	\$93,203	\$930,000	\$244,734	\$3,826	\$79,235	\$0	\$18,375,230	\$0	\$18,375,230	

										\$0		
								\$1,477,858	\$1,477,858		\$1,477,858	
									\$0	140,564	\$140,564	
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,477,858	\$1,477,858	\$140,564	\$1,618,422	

										\$0		\$0
										\$0		\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

										\$0		\$0
										\$0		\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

VALUEOPTIONS**STATEMENT OF CASH FLOWS****YEAR TO DATE FOR PERIOD ENDED:** June 30, 2004**CASH FLOWS FROM OPERATING ACTIVITIES:**

Changes in Net Assets	\$6,320,434
Adjustments to Reconcile Excess of Revenue	
Over/(Under) Expenses to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	884,244
Changes in Operating Assets and Liabilities	
(Increases)/Decreases in Assets:	
Current Investments	-
Receivables	(15,520,600)
Inventory & Prepaid Expenses	64,778
Deposits	156,476
Other	-
Increases/(Decreases) in Liabilities:	
IBNR	4,135,332
RBUC	(27,340)
Accounts Payable to Providers	(1,749,874)
Trade Accounts Payable	(367,388)
Accrued Salaries & Benefits	543,708
Other Current Liabilities	2,367,004

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES (\$3,193,226)**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from Sale of Property & Equipment	-
Purchases of Property & Equipment	(866,340)
Proceeds from Sales of Investments	-
Purchase of Investments	-

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES (\$866,340)**CASH FLOWS FROM FINANCING ACTIVITIES:**

Acquisition of Debt (Describe on Schedule A)	-
Payment of Lease Obligations	-
Payment of Other Debts (Describe on Schedule A)	11,883,952

NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES \$11,883,952

NET INCREASE/(DECREASE) IN CASH	\$7,824,386
BEGINNING CASH	32,311,059
ENDING CASH BALANCE *	<u><u>\$40,135,445</u></u>

***NOTE: ENDING CASH BALANCE MUST AGREE WITH TOTAL CASH BALANCE ON BALANCE SHEET**

VALUEOPTIONS**STATEMENT OF CASH FLOWS****YEAR TO DATE FOR PERIOD ENDED:** June 30, 2004**Schedule A Disclosure****Describe:**

1. Sources and amounts of cash received for other grants.

DESCRIPTION/DETAIL WOULD BE PLACED IN THIS SPACE BY RBHA

2. Underlying transactions for acquisition of debt.
(Debtor, amount, purpose of loan, term, interest rate of debt acquired during the quarter.)

DESCRIPTION/DETAIL WOULD BE PLACED IN THIS SPACE BY RBHA

3. Underlying transactions for retirement of debt.
ValueOptions - Dividends declared and paid (2,026,000)
ValueOptions - Additional Paid In Capital 13,909,952

4. Supplemental data or non-cash investing and financing activities, gifts, etc.

DESCRIPTION/DETAIL WOULD BE PLACED IN THIS SPACE BY RBHA